

2011 DRAFTING REQUEST

Bill

Received: 05/24/2011

Received By: jkuesel

Wanted: As time permits

Companion to LRB:

For: Peter Barca (608) 266-5504

By/Representing: Matt Egerer

May Contact:

Drafter: jkuesel

Subject: Elections - campaign finance

Addl. Drafters:

Extra Copies:

Submit via email: YES

Requester's email: Rep.Barca@legis.wisconsin.gov

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Contributions by state corporate contractors prohibited

Instructions:

Per attached E mail #1.

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkuesel 07/20/2011	wjackson 07/21/2011		_____ _____			
/1			jfrantze 07/22/2011	_____ _____	ggodwin 07/22/2011	mbarman 08/16/2011	

FE Sent For:

<END>

None

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1	jkuesel 7/20/11	1 WLJ 7/21		Rs Rh 7/22			

FE Sent For:

<END>

Kuesel, Jeffery

From: Egerer, Matt
Sent: Monday, May 23, 2011 11:57 AM
To: Kuesel, Jeffery
Subject: Campaign Finance/Ethics Drafting Request

Jeff,

Post-*Citizens United* we would like to develop legislation that would ensure there are still adequate checks in place on corporate donations and to prevent concerns over "pay-for-play."

We would like the following two proposals drafted as separate bills.

The first would ban corporations with state contracts from donating to any state political campaign.

The second would require corporations to disclose all contributions, including to third party political advocacy groups, as part of the application process for obtaining contracts with the state.

Matt Egerer
Office of Representative Peter Barca
Assembly Democratic Leader
608.266.5504



(DN 67E)

State of Wisconsin
2009 - 2010 LEGISLATURE

-2133/1
LRB-4576/2

JTK: ~~mm~~
WLy

Fu: 7/22

2009 ASSEMBLY BILL 327

June 19, 2009 - Introduced by Representatives SCHNEIDER, A. WILLIAMS and HRAYCHUCK. Referred to Committee on Elections and Campaign Reform.

Regen

- 1 AN ACT to create 11.386 of the statutes; relating to: contributions by state
- 2 contractors, grantees, or loan recipients and their officers and substantial
- 3 owners to ~~certain elective state officials~~ *and providing*

Analysis by the Legislative Reference Bureau

a corporation or cooperative

This bill prohibits any ~~legal entity, other than an individual~~, and any individual who is an officer or substantial owner of ~~an entity, that enters into a contract with~~ obtains a grant from, or receives a loan from any state agency from making a political contribution to ~~an incumbent governor, lieutenant governor, or attorney general or an incumbent state senator or representative to the assembly, during the term of office of the incumbent who is serving at the time that the contract is entered into, the grant is made, or the proceeds of the loan are received.~~ The prohibition also applies to the personal campaign and authorized support committees of ~~such an incumbent~~ *a candidate for state office*

a corporation or cooperative

a candidate for state office

No similar provision exists currently except that a corporation or cooperative is prohibited from making political contributions in most cases. *Currently, current law does not*

Violators of the prohibition created by the bill are subject to a forfeiture (civil penalty) of treble the amount or value of any unlawful contribution. Intentional violators are guilty of a misdemeanor and may be fined not more than \$1,000 or imprisoned for not more than six months or both.

address contributions by officers or substantial owners

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

No ff

The bill defines a *substantial owner* as an individual who, alone or in combination with his or her immediate family, owns or controls more than 1 percent of the equity in a corporation or cooperative.

on which the contract is awarded and ending on the date that all obligations under the contract are executed in full

ASSEMBLY BILL 327

SECTION 1

SECTION 1. 11.386 of the statutes is created to read:

11.386 Contributions by state contractors, ~~grantees, and loan~~

~~recipients~~ (1) In this section:

(a) "Agency" has the meaning given under s. 16.70 (1e).

(b) "Authorized support committee" means a support committee under s. 11.18 that is authorized by a candidate to act on his or her behalf under s. 11.05 (3) (p).

~~(c) "Entity" means any person.~~

~~(d)~~ (e) "Immediate family" has the meaning given in s. 19.42 (7).

~~(d)~~ (e) "Substantial owner" means an individual who, ~~jointly or jointly~~ or jointly with the

individual's immediate family, owns or controls more than 15 percent of the outstanding equity of ~~an entity~~ a corporation or association identified in subg. (2).

(2) ~~No entity other than an individual, and no individual who is an officer or~~ In addition to adhering to the restriction under s. 11.38 (1) (a) 1, such a corporation or association,

a substantial owner of ~~an entity~~ that enters into a contract with, obtains a grant from,

~~or receives a loan from,~~ offers to enter on a candidate for state office any agency may make a contribution to the governor,

~~lieutenant governor, or attorney general, or a state senator or representative to the~~

~~assembly, or to the personal campaign or authorized support committee of such an~~

~~officer during the term of office of the incumbent who is serving at the time that~~

~~contract is awarded and ending on the date that all obligations~~

~~contract is entered into, the grant is made, or the proceeds of the loan are received~~

~~under the contract are executed in full.~~

(END)

on
which

no
foreign
or
domestic
corporation,
or
association
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ch. 185
or
193,

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2133/1dn

JTK...../.....

wlj

Date

Representative Barca:

This draft is based in part upon 2009 AB³²⁷, which was introduced by Rep. Schneider and others.

Because this draft deals with contributions rather than expenditures, it is not directly affected by the decision of the U.S. Supreme Court in *Citizens United v. F.E.C.*, 130 S.Ct. 876 (2010). There is now a decision from a U.S. District Court in Virginia, not binding precedent in this state, that holds that corporations must be allowed to make political contributions in addition to expenditures, subject to reasonable limitations (contribution limits). *U.S. v. Danielczyk and Biagi*, 2011 U.S. Dist. LEXIS 60918 (E.D. Va., 2011). We need to continue to monitor that decision or any similar decisions as the decisions are appealed.

Jeffery T. Kuesel
Managing Attorney
Phone: (608) 266-6778

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-2133/1dn
JTK.:wlj:jf

July 22, 2011

Representative Barca:

This draft is based in part upon 2009 AB 327, which was introduced by Rep. Schneider and others.

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Jeffery T. Kuesel
Managing Attorney
Phone: (608) 266-6778

Barman, Mike

From: Egerer, Matt
Sent: Tuesday, August 16, 2011 2:44 PM
To: LRB.Legal
Subject: Draft Review: LRB 11-2133/1 Topic: Contributions by state corporate contractors prohibited

Please Jacket LRB 11-2133/1 for the ASSEMBLY.